

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 557

Introduced by Jones, 43

Read first time January 19, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2704.15, Reissue Revised Statutes of Nebraska; to
3 exempt purchases by city, county, or joint airport
4 authorities from sales and use taxes; and to repeal the
5 original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2704.15, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 77-2704.15. (1) Sales and use taxes shall not be imposed
4 on the gross receipts from the sale, lease, or rental of and the
5 storage, use, or other consumption in this state of purchases by
6 the state, including public educational institutions recognized or
7 established under the provisions of Chapter 85, or by any county,
8 township, city, village, rural or suburban fire protection
9 district, city airport authority, county airport authority, joint
10 airport authority, or joint entity or agency formed to fulfill the
11 purposes described in the Integrated Solid Waste Management Act by
12 any combination of two or more counties, townships, cities, or
13 villages pursuant to the Interlocal Cooperation Act or the
14 Integrated Solid Waste Management Act, except for purchases for use
15 in the business of furnishing gas, water, electricity, or heat, or
16 by any irrigation or reclamation district, the irrigation division
17 of any public power and irrigation district, or public schools
18 established under Chapter 79.

19 (2) The appointment of purchasing agents shall be
20 recognized for the purpose of altering the status of the
21 construction contractor as the ultimate consumer of property which
22 is physically annexed to the structure and which subsequently
23 belongs to the state or the governmental unit. The appointment of
24 purchasing agents shall be in writing and occur prior to having any
25 property annexed to real estate in the construction, improvement,
26 or repair. The contractor who has been appointed as a purchasing
27 agent may apply for a refund of or use as a credit against a future
28 use tax liability the tax paid on inventory items annexed to real

1 estate in the construction, improvement, or repair of a project for
2 the state or a governmental unit.

3 (3) Any governmental unit listed in subsection (1) of
4 this section, except the state, which enters into a contract of
5 construction, improvement, or repair upon property annexed to real
6 estate without first issuing a purchasing agent authorization to a
7 contractor or repairperson prior to property being annexed to real
8 estate in the project may apply to the Tax Commissioner for a
9 refund of any sales and use tax paid by the contractor or
10 repairperson on the property physically annexed to real estate in
11 the construction, improvement, or repair.

12 Sec. 2. Original section 77-2704.15, Reissue Revised
13 Statutes of Nebraska, is repealed.